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ENVIRONMENT AND DEVELOPMENT

Report of the Administrator

SUMMARY

In its decision 92/16 of 26 May 1992, the Governing Council requested the Administrator to submit to the Council at its special session (1993) specific proposals that might emerge from the review of the internal capacity of UNDP and from the recommendations of the United Nations Conference on Environment and Development (UNCED) and the deliberations of the Global Environment Facility (GEF) participants meeting and to report on proposals on specific ways and means to combat desertification and drought. In the same decision, the Council recognized the rapid acceleration in the demand for national capacity-building and technical assistance in the areas of the environment and requested the Administrator to strengthen UNDP support in these areas to Governments of developing countries and in particular to assist in building up, or, where necessary, strengthening national capacities to formulate and implement policies and programmes for sustainable development. Concerning the review of UNDP internal capacity, the present report provides preliminary findings regarding the increasing demand for services in the areas of environment and sustainable development and the subsequent implications for UNDP. The Administrator intends to continue to analyse the data collected with a view to presenting more detailed proposals to the Governing Council at its fortieth session (1993). The present report also provides information on some of the implications for UNDP emanating from UNCED and of UNDP's co-management of the GEF. The report presents the set of measures that UNDP has introduced to meet the challenges and mandates given to it by these two important events and initiatives. The report also gives some preliminary views on how UNDP will strengthen its capacity to assist countries in combating desertification and drought.

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I. INTRODUCTION

1. In its decision 92/16 of 26 May 1992, the Governing Council requested the Administrator to submit to the Council at its special session (1993) specific proposals that might emerge from (a) the review of the internal capacity of UNDP, to meet the growing demands of developing countries in the area of sustainable development and (b) the recommendations of UNCED and the deliberations of the GEF participants meeting. In the same decision, the Council requested the Administrator to report on proposals on specific ways and means to combat desertification and drought, including strengthening the coordinated operations and the effectiveness of the United Nations system to meet this objective, taking into account the role identified for the United Nations Sudano-Sahelian Office (UNSO) by UNCED. The Council also recognized the rapid acceleration in the demand for national capacity-building and technical assistance in the areas of the environment and sustainable development and requested the Administrator to strengthen UNDP support in these areas to Governments of developing countries, particularly least developed countries, at their request, in full collaboration with the United Nations Environment Programme and other relevant United Nations bodies, specialized agencies and international organizations; and in particular to assist in building up, or, where necessary, strengthening national capacities to formulate and implement policies and programmes for sustainable development.

2. The growing demands of developing countries in the areas of environment and sustainable development have been the subject of previous reports of the Administrator to the Governing Council. As early as 1987, UNDP began a number of activities aimed at making sure that environmental considerations were incorporated into its development programmes. The Administrator reported on these activities to the Governing Council at its thirty-sixth session (DP/1989/63) and at its thirty-seventh session (DP/1990/27). On both occasions, the Administrator received strong encouragement from the Governing Council. In its decision 90/20 of 22 June 1990, the Council requested the Administrator to continue to pursue, in consultation with Governments: (a) the establishment of a sustainable development network at the country and regional levels; (b) the application of environmental management guidelines at all programme and project cycle levels, including training and gender concerns, as a means to operationalize sustainable development in the UNDP activities in support of the development priorities of Governments. In its decision 90/34 of 23 June of 1990, the Council selected environmental problems and natural resource management as one of the six areas of focus for UNDP in the fifth cycle. This decision and the impetus created by the preparatory process of UNCED have resulted in the selection of environment and development by a large majority of developing countries as a key area of work in the fifth cycle country programmes.

3. Reinforcing the growing demand from developing countries, UNCED also gives UNDP a significant role in the follow-up and in supporting the implementation of Agenda 21. The UNCED agreements call on UNDP to take a

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leading role in helping developing countries to build their capacities in support of sustainable development and of their capacity to implement Agenda 21. UNDP is also expected to provide significant support to the Commission on Sustainable Development. The mandate and role of UNDP in the implementation of Agenda 21 are stated principally in chapters 12, 33, 37 and 38.

In brief, its role will include the following:

(a) Acting as the lead agency in organizing United Nations system efforts towards capacity-building at the local, national, and regional levels;

(b) Mobilizing donor resources on behalf of Governments for capacity-building in recipient countries and, where appropriate, through the use of the UNDP donor round-table mechanisms;

(c) Strengthening its own programmes in support of follow-up to the Conference without prejudice to the fifth programming cycle;

(d) Assisting recipient countries upon request, in the establishment and strengthening of national coordination mechanisms and networks related to activities for the follow-up of the Conference;

(e) Assisting recipient countries upon request, in coordinating the mobilization of domestic financial resources;

(f) Promoting and strengthening the role and involvement of women, youth and other major groups in recipient countries in the implementation of Agenda 21.

4. In its resolution 47/194 of 22 December 1992 on capacity-building for Agenda 21, the General Assembly, noting with interest the launching by the Administrator of the CAPACITY 21 initiative, invited the Governing Council, "taking into account national policies, priorities and plans of recipient countries, to give due consideration to the adoption of concrete programmes and measures to implement Agenda 21 recommendations on capacity-building through, inter alia, the CAPACITY 21 initiative, with a view to promoting early action in support of developing countries, in particular the least developed countries, in the area of capacity-building". In addition to the mandates given, UNDP also plays the role of co-manager and implementing agency of the GEF and of the Montreal Protocol, and has been instrumental in ensuring that both global and domestic concerns are compatible.

II. UNDP STRATEGY AND RESPONSE

5. UNDP strategy has been aimed at helping countries to integrate environment and development through the following types of support: (a) activities aimed at building national capacities in the areas of environment and sustainable development; (b) activities that increase the

knowledge and awareness of the population at large on environmental issues; (c) activities that strengthen Governments and people's participation in local and national environmental efforts; and (d) activities that support global, regional and special environmental initiatives.

6. The elements of the strategy to achieve the goals listed above continue to be based on the following features: (a) the promotion of sound environmental management practices through training, strengthening of local institutions and other activities as a way to promote sustainable development; (b) wherever relevant, the incorporation of environment as a dimension of UNDP programmes and projects, with a review of these programmes and projects to ensure that they are supportive of capacity-building efforts in the area of sustainable development; (c) participation in initiatives that support the global environment, including active involvement in the management and operation of the GEF and of the Montreal Protocol; (d) a continued effort to strengthen the internal capacity of UNDP in these areas; and (e) a continued effort to mobilize resources for developing countries, as illustrated by the launching of "CAPACITY 21".

III. REVIEW OF THE INTERNAL CAPACITY OF UNDP

Introduction

7. In perceiving the need for a review of the internal capacity of UNDP to meet the growing demands of developing countries in the area of sustainable development, the Administrator has responded to rapidly changing needs and growing complexities. The aim of the review, undertaken from 1 September to 31 December 1992, was to identify those areas that require strengthening to ensure that UNDP will continue to assist developing countries to resolve the problems of environment and development while also addressing the issue of poverty.

Duration, timing and methodology of the review

8. The review was undertaken from 1 September to 31 December 1992. Several staff members and consultants contributed. The assessment of the increase in the demand for services in the areas of environment and sustainable development was obtained by means of desk reviews and by means of questionnaires sent to a number of field offices. A review of headquarters was carried out by an independent consultant. The review also included visits to twelve field offices.

Context of the study

9. In carrying out the review, UNDP took into account not only the changing needs but also the changing trends in the flow of resources for development cooperation. UNDP also took into account and built on other reviews and related activities within UNDP: the UNDP budget strategy; the UNDP functions review; the ongoing review of the funds; the ongoing efforts to strengthen the

linkages among the six areas of focus specified in Governing Council decision 90/34; the ongoing efforts to strengthen the human development thrust of UNDP work; and current personnel and human resource strategies. Whenever and appropriate and to the greatest extent possible, the study also took into consideration the ongoing efforts to restructure the United Nations Secretariat.

Basic principles for strengthening the internal capacity of UNDP

10. The UNDP strategy for strengthening its internal capacity was based on the following principles:

(a) The need to strengthen capacity in the areas of the comparative advantage and strength of UNDP;

(b) The need to focus on creating capacities for long-term development, thereby placing greater emphasis on the process that helps to build those capacities;

(c) The need to formulate programmes and projects based on the analysis of national, regional or subregional needs and priorities rather than on opportunities provided by current funding mechanisms;

(d) The need to strengthen internal capacity within a budgetary framework that conforms to the Administrator's overall budget strategy.

Focus of the review

11. Based on the principles mentioned above, the review focused on identifying needs for improvement and making mutually reinforcing recommendations in the following areas:

(a) Streamlining of activities at headquarters with a view to improving efficiency and coordination, strengthening substantive and thematic support to the field, and ensuring that all environmental initiatives are fully integrated with national development priorities and processes and that environmental considerations are fully reflected in these priorities;

(b) Formulation of a budget strategy that can support the strengthening of UNDP, particularly of field offices, in the areas of environment and sustainable development;

(c) Adoption of personnel and training policies that can contribute to UNDP strengthening its internal capacity in the areas of environment and sustainable development in the medium and long terms;

(d) Fine-tuning of the fifth cycle country programmes to make them supportive of Agenda 21.

Main findings

A. Changes in demand

12. In responding to questions on the demand for services in the areas of environment and sustainable development, most respondents placed the emphasis on the qualitative changes that have occurred between the fourth and the fifth cycles. Undoubtedly, a major shift has occurred. There is a felt need to seek more comprehensive solutions for more complex problems. Very often, in the absence of easy answers, experimentation and learning by doing becomes the norm. The respondents cited this as the justification for more active and substantive support throughout the life cycle of the programme or project. Another important indicator of the qualitative change is the way in which environment is treated in the fifth cycle. Whereas in the fourth cycle the activities relating to the environment were often treated as a separate sector, in the fifth cycle environment and natural resources management are treated as essential elements of sustainable development.

13. It is worth noting that most fifth cycle country programmes show environment and natural resource management as major areas of concentration. Furthermore, the qualitative changes cited above should lead to increases in the allocation of resources to environment and sustainable development. It is difficult, however, to make a projection of the expected demand for the fifth cycle. As the fifth cycle progresses, it is expected that most, if not all, the field offices will have environmental initiatives under way, funded either through the indicative planning figure (IPF), the GEF, the Montreal Protocol, CAPACITY 21, one of the UNDP funds, or bilateral sources. As UNDP increases its involvement in these areas, field offices are already feeling constrained and in need of dedicated human resources to assist in programme development, programme management and backstopping.

B. Present internal capacity of UNDP

14. One of the main goals of UNDP in the last few years has been to build its internal capacity to incorporate environmental concerns into its development programmes. The principal objective has been to ensure a proper link between environment and development. UNDP now requires that projects and programmes be screened during their formulation to take into account environmental concerns. A new environmental management handbook and guidelines and a global training effort are aimed at giving UNDP staff the necessary tools and instruments for incorporating these concerns into everyday programming practices.

15. As the needs have changed over the years, so has the UNDP structure at headquarters. Several units are now engaged in activities related to environment and sustainable development. They are:

(a) Regional Bureaux. The Regional Bureaux have the main responsibility for managing the programme delivery of field offices. There has been an

effort in recent years to decentralize the more routine operational aspects to the field in order to allow the staff of the Regional Bureaux more time to concentrate on supporting field offices on matters of policy and information. Efforts are under way to decentralize even further. The Bureau for Programme Policy and Evaluation (BPPE) has initiated a policy of outposting staff to the Regional Bureaux as a way to facilitate the mainstreaming of the area of environmental problems and natural resource management;

(b) BPPE

(i) Programme Development and Support Division (PDSD). Currently composed of three groups: the Human Development Group, the Public Sector and Management Group, and the Environment and Natural Resources Group. The Environment and Natural Resources Group works closely with the other two groups, whose activities are closely interrelated to those of the environment, particularly in the areas of non-governmental organizations (NGOs), poverty alleviation, gender in development, education and health;

(ii) Environment and Natural Resources Group. The Group acts as a focal point within UNDP for all global environmental initiatives and gives technical and programme development support to all the operational units and to field offices. The Group consists of a small staff supporting key sustainable development objectives such as: sustainable development strategies; policies and legislation; sustainable agriculture and food production; sustainable forestry and biodiversity; sustainable energy and environmentally clean technologies; protection of the atmosphere; environmental education and training; and water pollution and sanitation. Within this framework, there are also teams in charge of managing the GEF, the Montreal Protocol, and the Sustainable Development Network, some of them outposted to the Regional Bureaux. The team of core and outposted staff form the network of staff members at UNDP headquarters who are exclusively dedicated to environmental problems and natural resources management. Despite their relatively small numbers, UNDP has placed them throughout the organization to ensure that they incorporate environmental considerations into all aspects of UNDP activities;

(iii) The Environmental Action Team (EAT). Consists of the focal points of all the Regional Bureaux and operational units in headquarters. The team meets regularly to exchange information on the activities of the respective units in the area of environment;

(iv) United Nations Sudano-Sahelian Office (UNSO). Composed of staff assigned solely to the environmentally related activities of drought and desertification control;

(v) Division for Global and Interregional Programmes (DGIP). The global and interregional IPF has environmentally related programmes in water, energy, and agriculture. The responsibilities of DGIP staff cover one or more of these areas;

(vi) United Nations Capital Development Fund (UNCDF): The Fund is increasing its involvement in lending activities directly related to maintaining or improving the environment of local communities;

(c) United Nations Development Fund for Women (UNIFEM). Many UNIFEM staff members were actively involved in the UNCED preparatory process and continue to be involved in its follow-up. Many UNIFEM activities are related to mitigating the effects of environmental degradation on women and giving them an appropriate role in decisions affecting their environment.

16. One of the major strengths of UNDP lies, of course, in its field office network. Prior to UNCED, every field office established a focal point for the environment. In some cases, field offices have taken steps to adjust to the changing needs. Most field offices surveyed have tried to cope with the present needs by temporarily deploying staff or by using Development Support Services (DSS) resources for short-term consultancies. A few field offices in countries with large environment programmes found it necessary to create environment units. In some countries in Africa, this function is carried out by UNSO staff posted in the field. Some field offices have been able to create environment units, all the others have indicated that the present set-up is not suitable for the medium and long terms. All offices indicated that there was a need to have human resources assigned solely to these new areas.

17. UNDP capacity is further strengthened through its relationships with the United Nations system, in particular the specialized agencies. The United Nations specialized agencies have played and will continue to play a crucial role in implementing initiatives, programmes and projects in support of sustainable development. They continue to exhibit an increasing concern to integrate environment and development in their activities.

18. It is recommended in general that: (a) support continue to be provided to implement the measures necessary to strengthen the internal capacity of UNDP; (b) extrabudgetary resources should be expanded; and (c) modes of cooperation should be augmented or created, as necessary, at headquarters and in the field, as well as with the United Nations specialized agencies, through, for example TSS-1 and TSS-2.

19. As mentioned above, programme support and development functions for environment and natural resources at Headquarters are located primarily in the Environment and Natural Resources Group, BPPE. The Administrator proposes to finance the strengthening of the Environment and National Resources Group from a combination of the extrabudgetary programmes themselves and specific extrabudgetary contributions earmarked for this purpose from bilateral donors.

20. Additional strengthening of the Regional Bureaux will be provided from extrabudgetary resources. Currently, each Regional Bureaux has one professional GEF coordinator who also acts as environmental focal point. These posts are funded from GEF resources and will be reflected in the 1994-1995 budget estimates.

21. The workload associated with programme support and development activities in the field varies from field office to field office; however, it is clear that the exploitation of the comparative advantages of UNDP will depend to a significant extent on the capacity of the UNDP global network of field offices to assist Governments to mobilize resources, to give programme support and assist in coordination. Resident Representatives will be encouraged to continue using United Nations specialized agencies, DSS resources, Junior Professional Officers (JPOs), and networks with NGOs and other institutions in order to support the development of environment programmes. Field offices will also be convening expanded programme and project appraisal committees in which environmental perspectives, inter alia, will be fully considered, relying on the existing environmental management guidelines and drawing on local expertise. The Administrator will be giving consideration to proposals for a strengthening of the local capacity in field offices for environment programmes. Some of this can be achieved through extrabudgetary resources and through better networking of field offices. The Administrator will be reviewing other proposal, which he will present to the Governing Council in due course. Details will be provided in the context of his 1994-1995 budget estimates.

22. UNDP will continue to ensure that its training and personnel policies are supportive of sustainable development. It will focus attention on strengthening its training and recruitment policies in the following areas:

Recruitment. In recruiting its entry-level professional staff, UNDP will ensure that candidates who have a background in areas related to sustainable development are considered. All new professionals will also be given orientation and training on concepts, approaches and methodologies on environment and sustainable development when entering the Organization;

Training. UNDP will continue its staff training programme. Among its overall training programmes, UNDP plans to initiate a pilot training of focal points for field offices. These focal points will have the responsibility of training other staff in field offices on the various themes. Through its Environment Management Training programme, UNDP will continue to build a core of trainers in the field;

Briefing sessions for senior management. The Administrator will institute a programme of periodic briefings on important issues of environment and sustainable development with a view to keeping the senior policy-makers of UNDP fully informed;

Environment JPOs. The Government of Canada is currently supporting a global environment JPO programme as a way to strengthen field office capacities. UNDP will explore similar arrangements with other donor countries and institutions;

Networking arrangements. Environment and sustainable development are complex cross-cutting issues whose solutions require a mix of human intellect. Given the scarcity of resources, UNDP will aim at drawing on existing networks and establishing partnership arrangements with NGOs, the private sector, the scientific community, and donor country sources of expertise as a way to reinforce in-house capacity. UNDP will also promote the use of the technical cooperation among developing countries (TCDC) mechanism more actively.

IV. CAPACITY 21

23. As agreed and emphasized by all countries at UNCED, the ability of a country to follow a sustainable development path is determined by the capacity of its people and its institutions. An assessment undertaken by UNDP prior to UNCED showed that one of the main constraints was the lack of appropriate endogenous capacities. At UNCED, countries called for capacity-building programmes designed to help them build their policy formulation infrastructures and institutions, train their human resources, and facilitate the participation of all stakeholders in decision-making processes. In order to respond to the mandates given by UNCED and in order to address the capacity-building needs of developing countries, UNDP launched CAPACITY 21, a capacity-building programme in support of Agenda 21. CAPACITY 21 is designed to aid countries in the formulation and implementation of sustainable development strategies and of required national capacity-building programmes.

24. The role of UNDP in capacity-building in support of sustainable development was established by the Governing Council in its decision 92/16 of 26 May 1992, in which the Council requested the Administrator to strengthen UNDP support in the areas of national capacity-building and technical assistance in environment and sustainable development to Governments of developing countries and endorsed the Administrator's continuing efforts to mobilize resources to support the sustainable development of developing countries.

25. Capacity-building is understood to include the process and means through which national Governments and local communities develop the necessary skills and expertise to manage their environmental and natural resources in a sustainable manner within their daily activities. Capacity includes at least three components: human resources, institutions and an enabling environment. A legal framework, enforcement and incentive mechanisms, technical skills and basic knowledge of individuals regarding the natural environment are all essential elements of capacity.

26. While UNDP has been addressing capacity-building through the IPF-funded country programmes in the areas of environment and natural resources management, these efforts are often, and of necessity, of a limited nature. Limited IPF resources allow only for responses to a few high-priority areas and urgent needs. The focus of the present programme will be on providing additional resources and expertise so that needs for capacity-building can be

addressed on the basis of a cohesive development plan to serve as a guide for all development activities. By enhancing the interest in and understanding of sustainable development needs, CAPACITY 21 will also act as a catalyst for further resource deployment to capacity-building. The emphasis will be on building the capacity to manage the environment and natural resources in the context of economic and social development.

27. CAPACITY 21 will provide an instrument for marshalling knowledge and expertise as well as a framework for collaboration:

(a) Among United Nations specialized agencies;

(b) Among developing countries;

(c) Among donors, recipient countries, and the United Nations Commission on Sustainable Development;

(d) With international financial institutions, such as the World Bank and the regional development banks;

(e) With the private sector and the scientific community.

28. To ensure that this collaboration promotes flows of useful information and techniques, CAPACITY 21 will create a forum:

(a) For the entire United Nations system to improve its services for helping developing countries build capacity;

(b) For bilateral and multilateral donors to improve coordination, avoid duplication, and strengthen their services for building capacities in developing countries;

(c) For developing countries to exchange information - as for example through the Sustainable Development Network - or techniques and technologies for sustainable development.

29. The objectives of the CAPACITY 21 initiative are to assist countries in: (a) formulating, on the basis of existing plans, strategies that integrate environment and development; (b) identifying priority areas of Agenda 21 on which they wish to focus in support of sustainable development goals; (c) identifying major capacity-building requirements on which countries would like to take immediate action as a way to promote effective implementation of the national Agenda 21 and sustainable development plans; and (d) on this basis, formulating programmes and projects to meet capacity-building requirements by strengthening national or regional scientific and technological research and development, by enhancing the development of data bases and disseminating knowledge and information, and by increasing the participation of the population in the decision-making process.

30. The criteria for selecting programmes or for giving further guidance to holistic programme development efforts include: (a) a strong government commitment to Agenda 21 and to the capacity-building proposals, including the proposal for wide participation by the society in the formulation and implementation of the Agenda 21 programmes; (b) a consideration of the national capacities through analyses of what exists, what is needed and how needs could be met through a phased approach with a dynamic strategy; (c) the presence of a policy framework and an enabling environment that will ensure that the desired impact is achieved and sustained; (d) a commitment to an impact that can be clearly defined and measured by indicators of performance; (e) a clear indication of how CAPACITY 21 activities will be linked to relevant activities implemented and funded through other means, such as domestic resources or Official Development Assistance (ODA) whether bilateral, IPF, IDA or special financial mechanisms such as GEF, the Montreal Protocol and other programmes of the United Nations system; and (f) a demonstration that the proposed programme will secure the involvement of relevant and essential beneficiaries and partners as recommended by UNCED. It should be mentioned that, as agreed at UNCED, most of these are criteria that nations of the world consider requirements for sustainable development. CAPACITY 21 will help countries to meet these criteria.

31. The CAPACITY 21 programme will be managed in line with the provisions given by the Governing Council for Special Programme Resources (SPR). In view of the expected added workload, a special management process will be established within UNDP to ensure expediency and efficiency in reviewing and approving proposals, as well as to ensure comprehensiveness and consistency in the implementation of individual programmes. The Management Committee, with representation of the Regional Bureaux and appropriate units within BPPE (i.e., the Environment and Natural Resources Group, the Central Evaluation Office (CEO), DGIP and UNSO), has been established with the function of screening programme proposals, suggesting revisions so that they meet the criteria, and approving funding for proposals that are in line with the criteria and the goals for each phase of the overall programme. The Management Committee will act as a subcommittee of the Action Committee. The Management Committee also has the responsibility of monitoring the progress and evaluating the implementation of CAPACITY 21 and of ensuring the coordination of CAPACITY 21 programmes with the regional and country programmes of UNDP. CAPACITY 21 will also establish a mechanism for consultation with the donors and the recipient countries.

32. The office of the Resident Representative is responsible for contacts with the Government, for assisting in programme development at the country level, and for the initial appraisal and submission of the proposal in accordance with the guidelines and criteria. The office of the Resident Representative will assist the Government in the further elaboration of the programme. Proposals will be submitted through the Resident Representative.

33. The implementation of CAPACITY 21 will be consistent with the ongoing executing arrangements used for other UNDP programmes and projects. Decisions on executing arrangements will be taken according to the needs of each project

and the wishes of the recipient Government. UNDP policy on national execution will also apply to this programme. UNDP intends to make full use of the expertise available in the United Nations programmes and specialized agencies and other intergovernmental and non-governmental organizations. It is envisaged that United Nations specialized agencies may carry the responsibility for implementing parts of the programme that fall within their respective areas of competence. To this end, consultations with United Nations specialized agencies have already begun and will continue on a regular basis. One of the most important consultations has taken place within the Administrative Committee on Coordination (ACC) and particularly within the ACC Task Force on Environment and Development, in which UNDP was an active member. In its report to ACC, the Task Force strongly endorsed CAPACITY 21 as an important mechanism for the implementation of Agenda 21. Consultation with agencies will continue with the decision of the ACC to establish an Inter-Agency Committee on Sustainable Development (IACSD) to coordinate the follow-up to UNCED.

34. In addition to the continued monitoring and feedback of experience through the Management Committee, an overall programme evaluation will be undertaken towards the end of the pilot phase (late 1993 or early 1994) in order to assess the experience gained, the short-term impact of the programme, the adequacy of the approach, the potential long-term benefits, and the extent to which CAPACITY 21 programmes have been mainstreamed into UNDP country programmes.

35. The recommendations of Agenda 21 constitute a large and significant added responsibility for the international community (and for UNDP in particular) in the area of capacity-building - the cost of which was estimated by the UNCED secretariat at a level of between $300 million and $500 million per year, rising over five years to some $1 billion per year. The fulfilment of this responsibility requires resources in addition to those of the core budget and special funds of UNDP and other existing financial mechanisms. CAPACITY 21 will complement IPF resources oriented towards sustainable development capacity-building in developing countries but which are insufficient to implement Agenda 21.

36. CAPACITY 21 has proposed an initial target of $100 million for its pilot phase. This target is based on the needs survey carried out by UNDP in 1991, on estimated costs of helping countries to prepare plans and strategies, on costing proposals already received from interested Governments, and on a realistic estimate of what can be implemented in a relatively short period of time.

V. THE GLOBAL ENVIRONMENT FACILITY

37. By early 1993, the three-year pilot phase of the Global Environment Facility (GEF) will have been in effect for two full years. In this period, the three managing partner agencies (UNDP, the United Nations Environment Programme (UNEP) and the World Bank) have developed a functional management

structure with the demonstrated capability of providing developing countries with substantial financial and technical resources to address the global environmental issues of global warming, losses of biological diversity, international water pollution, and ozone depletion.

38. The partnership is intended to take advantage of the unique capabilities of the three agencies and to minimize the creation of new administrative bodies for global environmental initiatives. The GEF programme in UNDP is managed by a small team of professionals outposted throughout the Regional Bureaux and the Environment and Natural Resources Group. The emphasis is on ensuring that GEF activities are fully integrated with UNDP overall development programmes and that they are in line with the priorities and concerns of developing countries. The key advantages which UNDP brings to GEF are its unique, extensive network of field offices, its strong commitment to human development, its credibility with NGOs, and its capability of helping to rationalize domestic and global environmental priorities into functional sustainable development programmes.

39. GEF will move from the pilot phase to the operational phase during 1993. The principles for the operational phase were discussed at the April 1992 Meeting of the GEF Participants in Washington, D.C., at UNCED, and at the December 1992 Meeting of the GEF Participants in Abidjan. The principles agreed upon in these meetings were meant to ensure universality, transparency and accountability in operation, and balanced and equitable representation in policy-making in GEF.

40. In the pilot phase of GEF, each of the three managing partner agencies undertakes specific tasks. UNDP is responsible for the following: (a) capacity-building, technical cooperation and targeted research projects within the GEF Work Programme; (b) pre-investment activities; (c) management of the NGO small grants programme; and (d) facilitating in-country coordination, the dissemination of information and the establishment of priorities for GEF activities. It is anticipated that UNDP will maintain these responsibilities in the operational phase of GEF. Through its field offices, UNDP is also expected to take a leading role in helping Governments, at their request, to prepare national reports and undertake other tasks related to the global environment conventions, a process already initiated in the pilot phase.

41. In 1991 and 1992, the three partner agencies acted quickly to develop a comprehensive work programme of projects, assembled in four semi-annual tranches for review by the Participants. In two years, about $700 million of the core fund has been committed, including $230 million for projects led by UNDP. This represents approximately one third of the total GEF portfolio. Included in the UNDP portfolio are 30 country-specific projects, 12 regional projects and 5 global projects in the areas of global warming ($89 million), biodiversity ($88 million) and international waters ($53 million). Additionally, the NGO small grants programme is expected to disburse $15 million during the pilot phase. It is also estimated that the programme for feasibility studies will approve some $20 million.

42. The United Nations specialized agencies have been active in programme/project identification, preparation and execution during the pilot phase of GEF. Six United Nations bodies the (Food and Agricultural Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Maritime Organization (IMO), the World Meteorological Organization (WMO), the Department of Economic and Social Development of the United Nations Secretariat and the United Nations Industrial Development Organization (UNIDO)) are currently involved in projects and feasibility studies totalling about $65 million. It should be mentioned that the ACC Task Force on Environment and Development also strongly supported the replenishment of GEF as an important mechanism to provide resources for the implementation of Agenda 21. UNDP field offices will continue to encourage the further involvement of these agencies in programme development at the country level.

43. Regional Development Banks are also active in the UNDP GEF work programme. The Asian Development Bank is the executing agency for an important regional greenhouse gas reduction strategy study in the Asia/Pacific region. UNDP has also worked closely with the Inter-American Development Bank on the GEF programme in Latin America and the Caribbean and with the African Development Bank in the formulation of the fourth tranche work programme.

44. NGO participation has also been an important aspect of UNDP involvement in GEF. Local and international NGOs have been very active in the development of programmes and projects in the pilot phase and in facilitating policy inputs; UNDP will promote further involvement in the operational phase.

45. Private sector involvement in GEF will also be further encouraged by UNDP. As part of the pre-investment programme, UNDP has initiated discussions with various parties on ways to ensure private sector involvement. The objective will be to identify areas in which investment of the private sector in GEF will be required or desirable.

46. In December 1992, issues of governance and management were discussed by the Participants at their semi-annual meeting in Abidjan. Participants strongly endorsed the concept of giving primacy to the Participants Assembly for the legal framework of GEF. The legal framework, once endorsed by the Participants Assembly, would be adopted in parallel by each of the governing bodies of the three managing partner agencies. On decision-making, the Participants generally favoured a constituency arrangement that maximizes efficiency, harmony and cooperation, and a voting system for exceptional cases where consensus cannot be achieved. Discussions on these and other issues continue throughout 1993 with the expectation that the operational phase will start in early 1994.

47. As agreed at UNCED, the operational phase of GEF is available to function as the funding mechanism for agreed global environmental conventions on climate change and biodiversity, should the Parties to those conventions so desire. It is understood that GEF would respect the primacy of the parties of the conventions for establishing priorities for policy, strategy, and

eligibility criteria under the respective conventions. Through its field offices, UNDP is committed to taking a leading role in assisting Governments, at their request, to prepare national reports and other tasks related to the conventions, a process already initiated in the pilot phase.

VI. COMBATING DROUGHT AND DESERTIFICATION

48. It was clearly established at UNCED that drought and desertification constitute major environmental and development problems for arid and semi-arid countries. Addressing these problems as major obstacles to sustainable development is thus a central concern for UNDP. Chapter 12 of Agenda 21 makes specific recommendations on how to combat drought and desertification. These recommendations build upon the Plan of Action to Combat Desertification approved by the General Assembly in its resolution 32/172 of 19 December 1977.

49. Following on the work of UNCED, the General Assembly, by its resolution 47/188 of 22 December 1992, established an Intergovernmental Negotiating Committee for the elaboration of an international convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, with a view to finalizing such a convention by June 1994. As requested by the General Assembly, UNDP, particularly through UNSO, and in close collaboration with UNEP and the rest of the United Nations system, will have an important role in supporting the convention negotiation process.

50. In its effort to help implement chapter 12 of Agenda 21, UNDP/UNSO will focus its attention on assisting countries to improve their management of natural resources. Specifically, UNDP will help countries to improve their capacity to integrate the management of natural resources in the national development strategies, plans and policies. UNDP will also assist countries in designing drought-preparedness programmes for the management of scarce water resources while addressing the issue of poverty and the effects of environmental degradation in arid and semi-arid areas.

51. In carrying out these activities to combat desertification and drought, UNDP and UNSO will take close account of ongoing activities in an effort to strengthen collaboration with other institutions and agencies. Important among these are the regional and subregional organizations, which must be strengthened so that they can continue to play a significant role in combating drought and desertification. In its efforts to emphasize the linkage between desertification and drought, UNSO has also organized consultations among a group of multilateral donor agencies supporting environment and strategic frameworks in Africa. These consultations have the purpose of strengthening cooperation among the agencies in order to avoid duplication.

52. UNCED emphasized the need for close collaboration between UNDP and UNEP as a way to strengthen the environment and development nexus. The UNDP-UNSO/UNEP joint venture programme and institutional support to UNSO given by this programme is a good example of this institutional collaboration.

Institutional support to UNSO must continue and must be strengthened to allow it to play the important role assigned to it in the area of drought and desertification.

53. In his report to the General Assembly on combating desertification and drought (A/47/393), the Secretary-General proposes a review of the role and operations of the inter-agency mechanisms for coordinating United Nations activities in the areas covered by chapter 12 of Agenda 21 (the Inter-Agency Working Group on Desertification (IAWGD), the UNEP Consultative Group on Desertification Control and the Designated Officials for Environmental Matters of the United Nations system), so as to harmonize and strengthen the work of the system in this area. UNDP will explore with UNEP the possibility of establishing more operationally oriented IAWGD task forces on a regional basis. UNDP and UNSO could easily service the task force in Africa.

54. Lack of adequate financing has been one of the main obstacles to successful desertification control programmes. Despite considerable efforts, funding has been decreasing. It is hoped that the impetus created by UNCED and the global recognition of this problem will help ensure better funding. UNDP and UNSO will continue to explore new sources of funding, including the regional development banks, IDA, CAPACITY 21, IPFs, and GEF. UNSO will have an important role in developing programmes and projects for these crucial funding mechanisms. More specifically, UNSO will be called upon to help identify needs and develop programmes related to capacity-building for the sound management of natural resources in arid and semi-arid countries in Africa, particularly through the strategic framework processes supported by UNSO. In order to ensure that it can play this important role as focal point and technical unit within UNDP for drought and desertification, UNSO must be provided with adequate resources.

55. In an effort to strengthen its role in combating drought and desertification, UNDP proposes to:

(a) Strengthen UNSO as the entity within UNDP which will provide advice and act as the focal point for programmes to combat drought and desertification;

(b) Ensure that all countries, particularly in Africa, that are stricken by drought and desertification and are not covered by UNSO benefit from the accumulated experience and expertise of UNSO;

(c) Develop new approaches and methodologies for drought preparedness with the help of UNSO and in close collaboration with the Regional Bureaux;

(d) Strengthen the collaboration between UNSO and other operational units of UNDP;

(e) Reinforce the working relationship with regional and subregional organizations such as the Organization of African Unity (OAU), the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS), the

Intergovernmental Authority for Drought and Development (IGADD), the Southern African Development Coordination Conference (SADCC) and the Maghreb Arab Union.

56. The process leading to UNCED has been instrumental in bringing the world to a better understanding of the critical linkages between environment and development. The unprecedented commitments made at UNCED reflect this new perspective but the full implications and the resources required - both human and financial - are not yet fully understood. Considerable will and work are required to translate them into reality. On the basis of the lessons learned from its extensive experience in development work, UNDP had, before UNCED took place, already worked with Governments to initiate a number of programmes aimed specifically at the environment as well as efforts to incorporate environmental concerns into its other programmes and to strengthen their sustainability. UNDP had already begun honing its capabilities to provide support to countries in these areas. Since UNCED took place, UNDP has redoubled these efforts, based on its comparative advantages and the mandate received at the Conference from Governments. The above provides a summary report on these activities and proposals for the future. UNDP looks forward to receiving the Governing Council's comments and guidance.